

Message Text

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PAGE 01 HONG K 10484 310911Z
ACTION EB-08

INFO OCT-01 EA-10 IO-13 ISO-00 AGRE-00 CIAE-00 COME-00
INR-07 LAB-04 NSAE-00 SP-02 STR-04 TRSE-00 FRB-03
OMB-01 INRE-00 SSO-00 L-03 /056 W
-----126212 310913Z /13/14

O P 310637Z AUG 77
FM AMCONSUL HONG KONG
TO SECSTATE WASHDC IMMEDIATE 6513
AMEMBASSY SEOUL
AMEMBASSY TOKYO
USMISSION GENEVA PRIORITY

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C O R R E C T E D C O P Y (TEXT)

STATE FOR EB/FTD

STATE PASS STR

SEOUL FOR TEXTILE NEGOTIATING TEAM

TOKYO PASS MAKE SMITH AND U.S. TEXTILE DEL

GENEVA FOR PHELAN

EO 11652: N/A
TAGS: ETRD, HK, US
SUBJECT: TEXTILE HONG KONG TSB ACTION

REF: (A) HONG KONG 10367 (B) SEOUL 7253 (C) GENEVA 7419 (D) HONG
KONG 10446

1. PER REF D FOLLOWING IS FULL TEXT HKG LETTER DATED AUGUST 30
ADDRESSED TO CONSUL GENERAL CROSS. (TEXT OF LETTER'S ENCLOSURE
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FOLLOWS IN SEPTTEL.)

2. BEGIN TEXT. SIR: I HAVE THE HONOUR TO REFER TO THE CONSULTATIONS
ON CATEGORIES 122, 124, 234/235 AND 238 WHICH HAVE TAKEN PLACE
BETWEEN REPRESENTATIVE OF OUR TWO GOVERNMENTS UNDER PARAGRAPH 8
OF THE AGREEMENT OF 25 JULY 1974, AS AMENDED, BETWEEN THE
UNITED STATES AND HONG KONG.

3. IT WILL BE RECALLED THAT IN THE COURSE OF THE CONSULTATIONS, THE HONG KONG GOVERNMENT MAINTAINED THAT THE STATISTICAL EVIDENCE ADDUCED BY THE UNITED STATES GOVERNMENT FAILED TO SHOW THAT U.S. IMPORTS FROM HONG KONG IN THOSE CATEGORIES WERE CAUSING REAL RISKS OF MARKET DISRUPTION IN THE UNITED STATES. IN ARRIVING AT THIS CONCLUSION, THE HONG KONG GOVERNMENT HAD IN MIND BOTH THE SMALL PERCENTAGE ENJOYED BY IMPORTS FROM HONG KONG AND THE RISING TREND OF U.S. PRODUCTION.

4. ON 25 JULY 1977, CONSULTATIONS HAVING FAILED TO RESULT IN ANY AGREEMENT, THE U.S. GOVERNMENT, IN EXERCISE OF ITS RIGHT UNDER PARAGRAPH 8(E) OF THE US/HK TEXTILE AGREEMENT, REQUESTED THE HONG KONG GOVERNMENT TO LIMIT EXPORTS IN THE CATEGORIES IN QUESTION TO THE FOLLOWING LEVELS FOR THE 15-MONTH PERIOD 1 OCTOBER 1976 TO 31 DECEMBER 1977:

CATEGORY	RESTRAINT LEVEL
122	125,000 PIECES
124	250,000 PIECES
234/235	812,500 DOZENS
238	375,000 DOZENS

IN ACCORDANCE WITH ITS OBLIGATIONS UNDER PARAGRAPH 8(E) OF THE US/HK TEXTILES AGREEMENT, THE HONG KONG GOVERNMENT LIMITED OFFICIAL USE

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AGREED TO HONOUR THIS REQUEST BUT RESERVED ITS POSITION ON POSSIBLE FURTHER ACTION, INCLUDING THE POSSIBLE EXERCISE OF HONG KONG'S RIGHT UNDER PARAGRAPH 8(F) OF THE AGREEMENT.

5. THE HONG KONG GOVERNMENT HAS RE-EXAMINED THE DATA RELATING TO THESE CATEGORIES AND REMAINS OF THE VIEW THAT RESTRAINT ON THEM IS NOT JUSTIFIED. IN THE MEANTIME, THE HONG KONG GOVERNMENT FINDS THAT HONG KONG'S INTERESTS ARE BEING ADVERSELY AFFECTED, BOTH AS A RESULT OF THE UNDULY PROTRACTED CONSULTATIONS AND THE LEVELS AT WHICH THE U.S. GOVERNMENT HAS REQUESTED THE HONG KONG GOVERNMENT TO RESTRICT HONG KONG'S EXPORTS TO THE U.S. OF THE ABOVE PRODUCTS.

6. THE HONG KONG GOVERNMENT THEREFORE WISHES TO INFORM THE UNITED STATES GOVERNMENT OF ITS INTENTION TO BRING THE MATTER BEFORE THE TEXTILES SURVEILLANCE BODY, IN ACCORDANCE WITH PARAGRAPH 8(F) OF THE US/HK TEXTILES AGREEMENT AND WITH ARTICLE 11 OF THE ARRANGEMENT REGARDING INTERNATIONAL TRADE IN

TEXTILES. THE CHAIRMAN OF THE TEXTILES
SURVEILLANCE BODY WILL BE NOTIFIED OFFICIALLY OF
HONG KONG'S INTENTION ON 5 SEPTEMBER 1977 IN THE
TERMS OF THE LETTER ENCLOSED HERewith.

7. THE HONG KONG GOVERNMENT ALSO WISHES TO REFER
TO THE CONSULTATIONS ON CATEGORY 120 HELD UNDER
PARAGRAPH 8 OF THE US/HK TEXTILES AGREEMENT. IT WILL
BE RECALLED THAT, ON 25 JULY 1977, OUR TWO
GOVERNMENTS AGREED THAT CONSULTATIONS ON THIS CATEGORY
SHOULD BE REGARDED AS BEING CONTINUED, PROVIDED THAT
THEY WOULD BE CONCLUDED BY 27 SEPTEMBER 1977. THE
HONG KONG GOVERNMENT IS ANXIOUS THAT THIS MATTER
BE RESOLVED AS SOON AS POSSIBLE TO AVOID FURTHER DIS-
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RUPTION TO THE TRADE, WHICH AS BEEN HELD UP SINCE
MAY 1977 AND MADE SUBJECT TO AN INTERIM RESTRAINT
LIMIT SINCE 27 JULY 1977, AND SHOULD BE GRATEFUL
FOR AN EARLY INDICATION OF THE UNITED
STATES GOVERNMENT'S PROPOSALS FOR A SOLUTION IN
RESPECT OF THIS ITEM.

8. I SHOULD BE GRATEFUL IF YOU WOULD TRANSMIT THE
ABOVE MESSAGE URGENTLY TO YOUR AUTHORITIES.

9. ACCEPT, SIR, THE ASSURANCES OF MY HIGHEST
CONSIDERATION. SIGNED. P. K. Y. TSAO, DIRECTOR
OF TRADE. END TEXT.
CROSS

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEXTILES, IMPORTS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 31-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977HONGK10484
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770351-1182, D770314-0854
Format: TEL
From: HONG KONG
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977084/aaaaadga.tel
Line Count: 150
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 83ae8457-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 HONG KONG 10367, 77 SEOUL 7253, 77 GENEVA 7419, 77 HONG KONG 77
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 10-Jan-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1536740
Secure: OPEN
Status: NATIVE
Subject: TEXTILE HONG KONG TSB ACTION
TAGS: ETRD, HK, US
To: STATE SEOUL
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/83ae8457-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
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